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SECURITY INFORMATION

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## INFORMATION REPORT

## REPORT

CD NO.

COUNTRY China

DATE DISTR. 20 June 1952

SUBJECT 1. Chinese Communist Organization to Consolidate  
Effect of Business Reform  
2. Unemployment in Tientsin

NO. OF PAGES 1

DATE OF INFO.

NO. OF ENCLS.  
(LISTED BELOW)PLACE  
ACQUIRED

SUPPLEMENT TO  
REPORT NO.

50X1-HUM

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1. In order to consolidate the results of the five anti's movement, to tighten controls on production and prevent corruption and waste, the Chinese Communists in Tientsin established on 13 March a committee to control production carried on by organization of the Tientsin Municipal Government (5363/0954). The offices of this committee are in the Finance Bureau at 12 Huayuan Road. The committee will register and consolidate various production activities run by the Government, units of the armed forces, schools, parties and cliques and organizations. After these productive enterprises have been registered and screened, all industrial, agricultural, commercial, communications, building and transportation enterprises run by governmental organizations and units of the armed forces shall be taken over by the appropriate governmental organizations dealing with those types of activity and shall be converted into government enterprises - units of the central or local governments. Specifically excepted from these measures are farms operated by troops engaged in reclamation projects, production enterprises run by judicial administrative organizations for training convicts, and consumer cooperative stores run by chain cooperative stores.
2. Since the commencement of the five anti's campaign over 400,000 people in Tientsin industry and commerce have been purged or otherwise involved. Under the impact of this blow most private factories and firms have closed down, though the authorities still insist that they keep their doors open. The market is deader than ever before. Workers and shop clerks are asking the Labor Bureau to grant them relief or work since their factories or shop owners cannot maintain them on a subsistence level. At present more than 10,000 unemployed have registered with the Labor Bureau not including those who are seeking relief. The only thing the Labor Bureau has been doing in response is instructing the labor unions to advise the unemployed and relief seekers to return promptly to their native places and engage in production. Those unwilling to return to their native places must join the armed forces and are not permitted to remain idle in Tientsin and seek government relief.

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